

would not have an effect because most Nebraska firms sell all of their products out of state. Well, that is not the case. Most of the small firms have a great deal of their sales within the state. Further more it is the sellers, the people down the line that get hit. It is not just the manufacturer that is sued, it is two, three and four parties. Most of those people where they are not the manufacturers out of state are resident businesses of this state. Finally, this is reformed legislation, yes, that is right. It is meant to protect consumers. I think that all of you know me well enough to know that I'm not going to be bringing legislation to this body knowingly that is harmful to consumers. We need to keep industry here, we need to keep people employed, we need to start the ball rolling, that a few other states have already started. We are not getting the type of legislation that we need at the national level.

SENATOR BARNETT: Time is up Senator Bereuter. Senator Kelly, then Cope, the Dworak.

SENATOR KELLY: Mr. President, I would yield four minutes to Senator Bereuter and take one minute at the end.

SENATOR BARNETT: You are on Senator Bereuter.

SENATOR BEREUTER: Thank you Senator Kelly. I may have just a couple clean up comments. One was related to the AG's opinion of April 8, 1977. I would like to speak to finally two other points. I would like to cite you a conversation that I had with a trial attorney friend. He will go nameless for reasons that you can see. I'm trying to paraphrase what he told me. You really can't expect us to lose this potential income source without a struggle, can you? I'm sure that you can understand. And, I do understand. Defuse, defuse the effort through a study. As you know there have been at least two study proposals which would cover product liability, circulating before you in the form of a legislative resolution. I will sign those, be happy to, after the bill is enacted. This is a very moderate step forward. It is a moderate attempt to protect consumers. It is a complicated issue. Senator Dworak has a very interesting amendment that I am going to look at in a few minutes. I think that it may be a contributing amendment, with a little remodeling. But, the point that I would like to make, is that this is no time to delay the process through a study. The study can take place after the enactment of LB142. Senator Kelly thank you for the time. I return it to you.

SENATOR KELLY: Mr. President, members of the Legislature. I just want to give one example in answer to the newspaper article, the trial attorneys label the liability crisis phony. There is an outfit by the name of Regal Valves, they make valves for ammonia, LP gas and so forth. On the bottom of their invoice it is typed, and it says, "surcharge, product liability insurance premium 4%". 4% of the cost of that invoice goes for product liability increase premium cost for the company. It would be my opinion that if that is a phony crisis when our customers have to pay that 4%, there is nothing phony about it. Further more, if the liability and the exposure of Regal Valves would cost 4% of that valve for liability protection, there product is a public nuisance and it shouldn't even be insurable, and they